

News Release

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About the Leading Economic Index and the Coincident Economic Index:

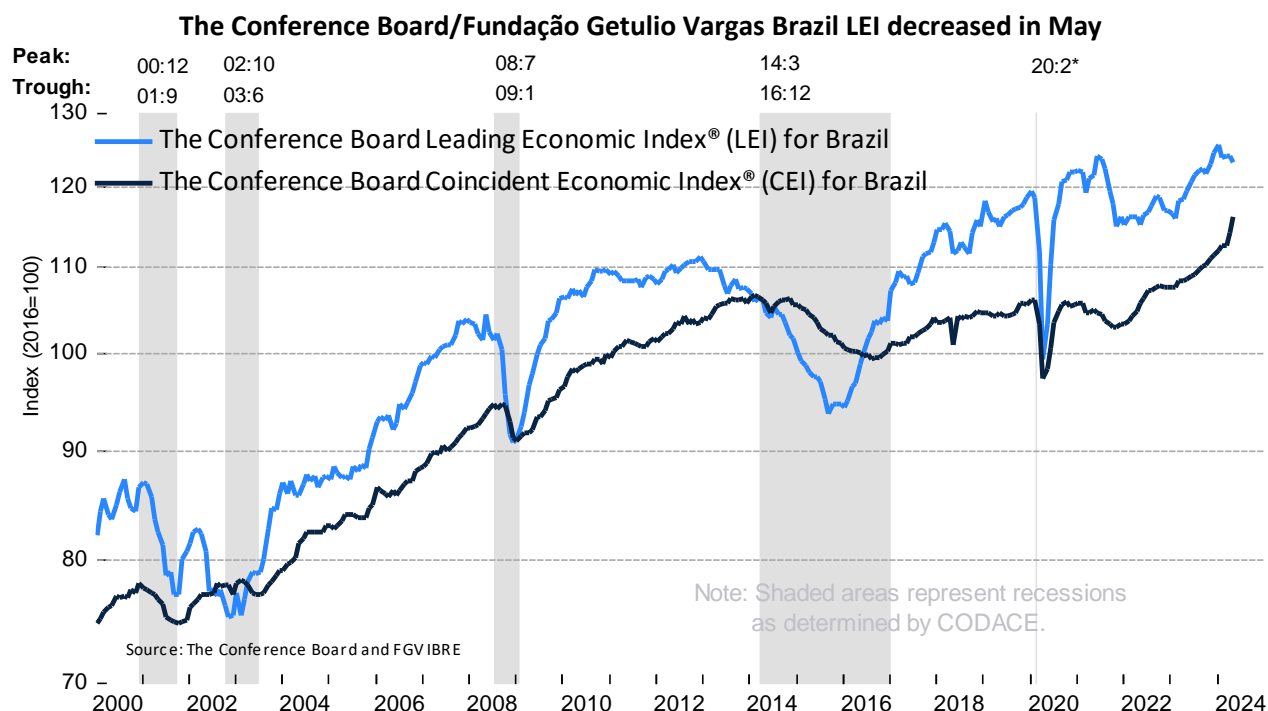
The Leading Economic Index provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term. The Coincident Economic Index provides an indication of the current state of the economy. Additional details are below.

The Conference Board Leading Economic Index® for Brazil, together with Fundação Getulio Decreased in May

The Conference Board Leading Economic Index® (LEI) for Brazil, together with Fundação Getulio Vargas, decreased by 0.6 percent in May 2024 to 123.1 (2016=100), after a downwardly revised flat reading in April. The LEI grew by 0.2 percent over the six-month period between November 2023 and May 2024, a significantly slower pace than the 3.0 percent growth over the previous six-month period.

The Conference Board Coincident Economic Index® (CEI) for Brazil, together with Fundação Getulio Vargas, increased by 1.7 percent in May 2024 to 116.0 (2016=100), following an increase of 1.4 percent in April. As a result, the CEI grew by 4.7 percent over the six-month period between October 2023 and April 2024, a much faster pace than the 2.2 percent increase over the previous six-month period.

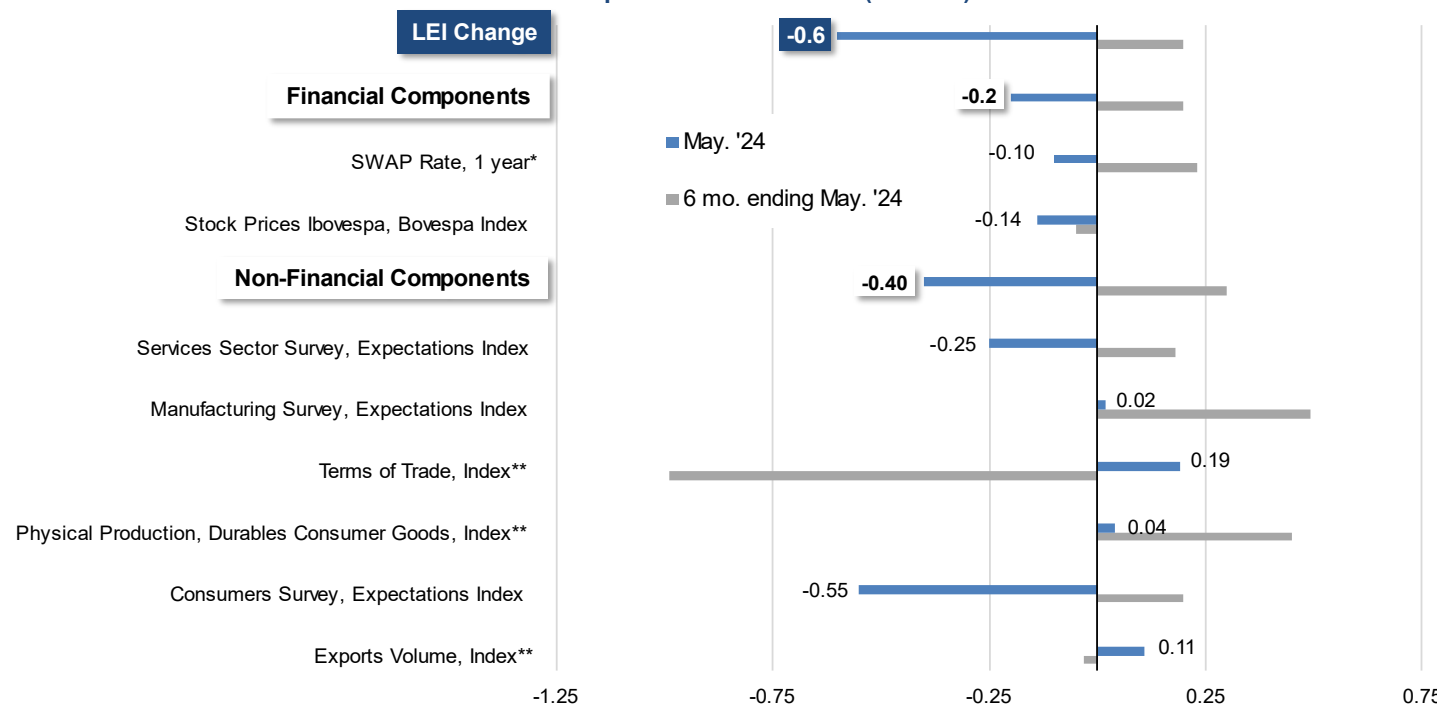
“The Brazil LEI decreased in May,” said **Malala Lin, Economic Research Associate at The Conference Board**. “The contraction was led by a severe drop in consumer expectations in the wake of the devastating floods that affected southern Brazil in May. The floods totally disrupted the local economy and created uncertainties about the near future in the region that accounts for over 6 percent of the country’s GDP and 5 percent of its population. In addition, a decline in business expectations in the service sector and weakness among the financial components also weighed on the Index. As a result, the six-month and annual growth rates of the LEI declined substantially. Overall, after a solid expansion in first quarter, Brazil real GDP growth is likely to slow down, at least temporarily, in the second quarter of 2024.”



*CODACE has determined that the recession beginning in February 2020 ended in the second quarter of 2020. We will update our business cycle chronology when the monthly trough date is available

Decreases in consumer expectations, service sector business expectations, and the financial components drove the LEI's decline in May

The Conference Board Leading Economic Index® together with Fundação Getulio Vargas and Component Contributions (Percent)



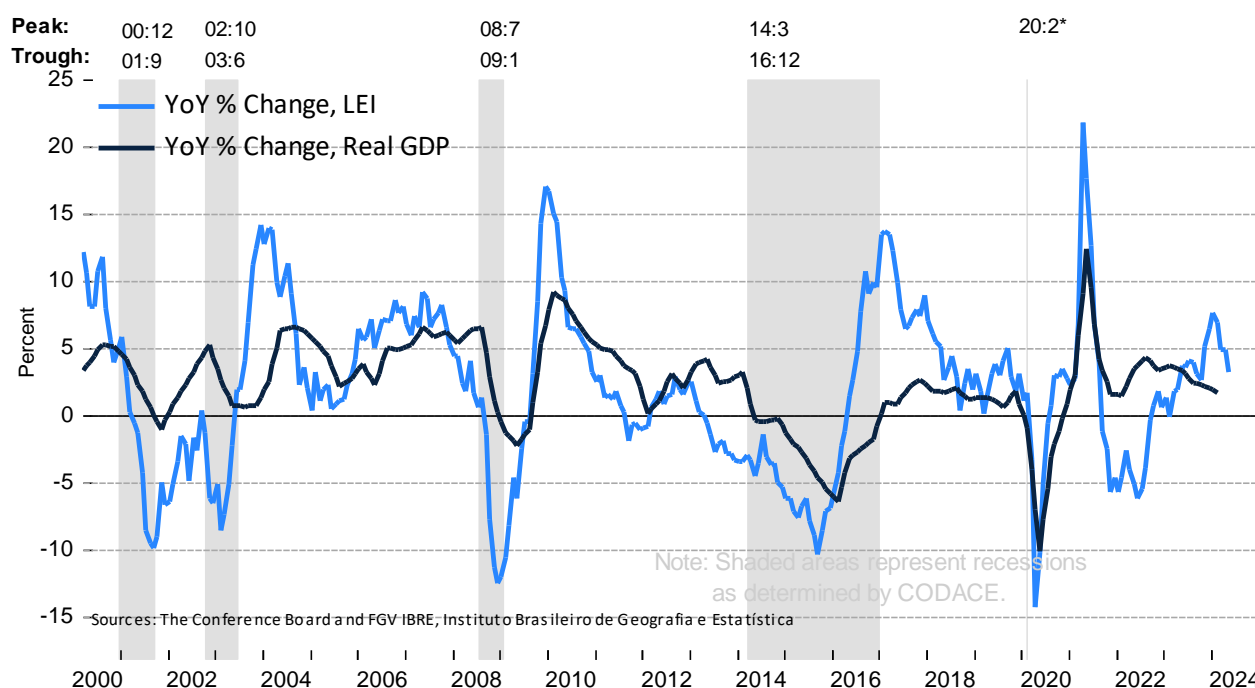
Source: The Conference Board

* Inverted series; a negative change in this component makes a positive contribution.

** Statistical Imputation.

LEI change might not equal sum of its contributions due to application of trend adjustment factor

The year-over-year growth rate of the Brazil LEI declined sharply



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About The Conference Board Leading Economic Index® (LEI) for Brazil

Together with Fundação Getulio Vargas (TCB/FGV Brazil LEI): The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The indexes are constructed to summarize and reveal common turning points in the economy in a clearer and more convincing manner than any individual component. The CEI is highly correlated with real GDP. The LEI is a predictive variable that anticipates (or “leads”) turning points in the business cycle by approximately 6 months. Shaded areas denote recession periods or economic contractions. The dates above the shaded areas show the chronology of peaks and troughs in the business cycle.

The seven components of **The Conference Board Leading Economic Index®** for Brazil, together with Fundação Getulio Vargas (TCB/FGV Brazil LEI) include: Swap Rate - 1 year*, Ibovespa - Bovespa Index, Manufacturing Survey - Expectations Index, Services Sector Survey - Expectations Index, Consumers Survey - Expectations Index, Terms of Trade – Index, Physical Production - Durables Consumer Goods – Index, and the Exports - Quantum - Index.

To access data, please visit: <https://data-central.conference-board.org/>

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